



CITY OF HAYWARD

STAFF REPORT

AGENDA DATE 04/24/03

AGENDA ITEM 3

TO: Route 238 Working Group

FROM: Director of Public Works

SUBJECT: Funding and Background Material

The purpose of this document is to provide information to the Working Group that will help all members to have a similar understanding of basic funding and process issues associated with the Route 238 Corridor Improvement Project.

The best place to start is to identify the funding that was allocated to the Route 238 Hayward Bypass. Attached is a two-page extract from ACTA's 2002-03 Strategic Plan (Exhibit A) dealing with the Route 238 Hayward Bypass Project. The ACTA project only dealt with Stage I, which was from I-580 to Harder Road.

As noted on page 17 of Exhibit A, there were several categories of anticipated funds for the project. The anticipated Measure B funds were \$110 million, which does not include the \$1 million for modifications at "A" Street/Foothill Boulevard. The \$10.3 million state money for design services was only available because this was a state designed project on a state highway. It would not be available for the Corridor Improvement Project as presently envisioned. The \$15.4 million in state funds is related to the sale of excess Route 238 Bypass right-of-way that is funded in the State Transportation Improvement Program (STIP), per the LATIP legislation. Further information on the LATIP process is discussed later in this report. Specifically, this \$15.4 million is still shown in the 2002 STIP for the Route 238 Hayward Bypass Project in 2006-07. The \$11.6 million local match is actually City funds that had been set aside for implementation of the Consent Decree and is still available. The Consent Decree related to replacement housing for those displaced by the Route 238 Hayward Bypass. Thus, the total reported funding available for Stage I of the Route 238 Hayward Bypass was \$148.3 million.

ACTA's agenda report for January 2, 2003, which approved the City's Project Study Report funding request, indicated the following stipulation regarding Measure B funds for the Route 238 Corridor Improvement Project: "The total Measure B funds for the project be reprogrammed to the original level envisioned in the 1986 Expenditure Plan, which is \$70,000,000. The current amount of \$110,000,000 adopted in the 2002/2003 Strategic Plan was based on the estimated construction capital cost of the Hayward Bypass Project for which a detailed plan was developed."

It is also important to understand that the Stage I funding described above does not include the funding for the separate Caltrans project that was to complete the I-580/Route 238 interchange that had been partially constructed and opened in 1988. Caltrans project funding was to complete two new connectors to the southbound lanes of the Bypass from eastbound I-580 (actually runs south), as well as the connection from southbound I-238 (actually runs more east). Please see the attached Caltrans drawing (Exhibit B), which has been highlighted in red to show these two connectors. In addition, this original interchange project included the flyover from westbound I-580 to southbound Route 238 Hayward Bypass, which is highlighted in blue on the drawing. The original Caltrans project funding for this interchange has remained in the STIP. Presently there is \$22.6 million (\$16.8 million for construction) in the 2002 STIP for the interchange work to be done 2006-07. Caltrans had determined that this amount was sufficient for the two direct connectors, but that \$8.8 million more in funding was required for completion of the flyover from westbound I-580 to southbound Route 238 Hayward Bypass.

While not in the present STIP, this additional \$8.8 million was included in the 20-year Regional Transportation Plan (RTP) by the Metropolitan Transportation Commission (MTC) after being included in the Alameda Countywide Transportation Plan. The RTP is essentially a planning document for the region. It looks at funding that is likely to be available over the next 20 years and then develops how that funding might be allocated to specific needs/projects. It is developed by MTC from the input provided in the various county plans. It does not provide any funding, although unless a project is in the RTP, it cannot compete for funding from such sources as the STIP. The RTP also includes \$76 million proposed for Stages II and III of the Route 238 Hayward Bypass. The timing of the flyover was to be after completion of Stages II and III of the Route 238 Hayward Bypass. The flyover had been shown to draw significant extra traffic to the Bypass that could not be handled while only Stage I was completed with its termination at Harder Road.

The Route 238 Corridor Improvement Project does not assume any changes to the existing I-580/Route 238 interchange, since with the exception of the flyover the other connections already exist to Foothill Boulevard. The flyover is not included in the project scope because it would cause too much traffic bound for the Hayward San Mateo Bridge to cut through downtown Hayward rather than staying on the widened I-238. However, some improvements will be needed at the existing ramp connections, and the existing STIP funding for the I-580/Route 238 Interchange may be available for this purpose, as well as possibly for the new LATIP proposal discussed below.

With regards to the Local Alternative Transportation Improvement Program (LATIP) process, attached as Exhibit C is a copy of SB 509, which is Senator Figueroa's current bill that deals with Section 14528.5 of the Government Code. The Senate legislative analysis on SB 509 gives a brief summary of the legislature's history regarding the LATIP process. Note that the only thing this bill does is allow a revised LATIP to be submitted by removing the original 1988 deadline date. The Holmdahl Bill originally created the LATIP process (Sections 14528.5 and 14528.6 of the Government Code) in 1982. The City helped structure this legislation after the state abandoned plans to build the original eight lane Route 238 freeway. It was intended to make funds from the sale of surplus right-of-way not needed for the then proposed Route 238 Hayward Bypass available as part of the locally funded project. After approval of Measure B in 1986 and based on the Caltrans 1987 DEIS/EIR, the City Council approved and submitted to the CTC in October 1987, its LATIP proposal for a six lane freeway, although to be initially constructed as a four lane facility. Today, in order for any of the surplus right-of-way dollars to be used for the Route 238 Corridor Improvement Project, a new LATIP would have to be submitted and approved by the CTC. Without a revised LATIP, monies derived from the sale of

excess or surplus right-of-way will revert to the state general fund. With a new LATIP, these monies can be included in the STIP, specifically for the Route 238 Corridor Improvement Project. The two major changes to this issue today are the fact that all of the ROW would now be surplus and with proposed relinquishment the new LATIP would be on city arterial streets and not on a state highway. It is particularly unclear how the legislature will want to deal with the larger surplus ROW issue. Both these issues will need to be addressed carefully to maximize funding for improvements in the corridor. The City will be working with its legislative representatives as well as other regional transportation agencies regarding LATIP issues.

Finally the table below summarizes in a very preliminary fashion the known/potential funding sources available for the Route 238 Corridor Improvement Project. Developing and securing funding for the project will be a major consideration for the City over the next year.

Funding Source	Known Amount	Possible Amount
Measure B	\$70 Million	\$40 Million
City Local Match	\$11.6 Million	
Previously Identified Surplus ROW (STIP)		\$15.4 Million
I-580/Route 238 Interchange (STIP)		\$16.8 Million
Value of Remaining ROW		TBD

Prepared by:

Robert A. Bauman, Deputy Director of Public Works

Recommended by:

Dennis L. Butler, Director of Public Works

Approved by:

Jesús Armas, City Manager

Attachments: Exhibit A: Extract from ACTA's 2002-03 Strategic Plan
Exhibit B: Interchange Drawing
Exhibit C: SB 509

BILL NUMBER: SB 509 INTRODUCED
BILL TEXT

INTRODUCED BY Senator Figueroa

FEBRUARY 20, 2003

An act to amend Section 14528.5 of the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 509, as introduced, Figueroa. State Highway Route 238.

Existing law authorizes a city or county in which a planned state transportation facility was to be located on State Highway Route 238 to develop and file with the California Transportation Commission a local alternative transportation improvement program to resolve local transportation problems resulting from the infeasibility of the planned state transportation facility. Existing law prohibits the commission from approving a local alternative transportation improvement program submitted to the commission after January 1, 1988.

This bill would delete the provision prohibiting the commission from approving a local alternative transportation improvement program submitted after January 1, 1988.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 14528.5 of the Government Code is amended to read:

14528.5. (a) To resolve local transportation problems resulting from the infeasibility of a planned state transportation facility on State Highway Route 238, the city or county in which the planned facility was to be located, or the transportation planning commission having jurisdiction over the city or county, may develop and file with the commission a local alternative transportation improvement program that addresses transportation problems and opportunities in the county which was to be served by the planned facility.

(b) The department may be requested to develop the local alternative transportation improvement program. In such a case, the local program shall be submitted as a part of the proposed state transportation improvement program under Section 14526.

(c) Prior to filing the local alternative transportation improvement program with the commission, the local program shall be submitted for review by the transportation planning agency and the department in the same manner as the regional transportation improvement program. If the transportation planning agency or the department does not adopt the local program as a part of the regional transportation improvement program or the proposed state transportation improvement program, the entity that developed and

filed the local program, and the transportation planning agency if it has approved the local program, may request the commission to include the local program in the state transportation improvement program.

(d) The commission shall have the final authority regarding the content and approval of the local alternative transportation improvement program. The local program, if approved by the commission, shall be included in the state transportation improvement program adopted by the commission pursuant to Section 14529.

~~The commission shall not approve any local alternative transportation improvement program submitted under this section after January 1, 1988.~~

(e) At the time the commission approved the local alternative transportation improvement program, the commission shall authorize the department to sell, at the prevailing fair market price, the excess properties acquired for the planned state transportation facilities. However, any properties required for the implementation of a local alternative transportation improvement project shall not be sold. Article 8.5 (commencing with Section 54235) of Chapter 5 of Part 1 of Division 2 of Title 5 does not apply to the sale of excess property pursuant to this section. All proceeds from the sale of the excess properties, less any reimbursements due to the federal government and all costs incurred in the sale of those excess properties, shall be allocated by the commission to fund the approved local program and shall not be subject to Sections 188 and 188.8

of the Streets and Highways Code . The proceeds shall be used only for highway purposes. The estimated amount of the proceeds shall be included in the adopted regional transportation improvement program and the state transportation improvement program.

(f) This section does not apply to those highways that are in the National System of Interstate and Defense Highways.

(g) This section applies only to State Highway Route 238.

BILL ANALYSIS

SENATE TRANSPORTATION COMMITTEE
SENATOR KEVIN MURRAY, CHAIRMAN

BILL NO: SB 509
AUTHOR: Figueroa
VERSION: 2/20/03
FISCAL:yes

Analysis by: Steve Schnaidt

SUBJECT:

State Highway Route 238: local alternative program.

DESCRIPTION:

This bill would delete the statutory provision prohibiting the California Transportation Commission from approving a Route 238 local alternative transportation improvement program submitted after January 1, 1988. Thus, the commission could approve an alternative plan which reallocates Route 238 funds to an alternative project in the Hayward area.

BACKGROUND:

SB 1711 (Holmdahl, 1982) authorized local authorities and local transportation agencies to develop an alternative transportation improvement program to replace stalled plans for a state highway facility through the Hayward-southern Alameda County area. The Route 238 project had been active since the late 1960s through the state's purchase of right of way, but by the time of the Holmdahl legislation the project had encountered enough delays and problems to be considered infeasible. The legislation in 1982 was offered as a means to revise the scope and details of the project, sell off the excess right of way and then use the sale proceeds to fully or partially fund the new project. SB 1711 gave local authorities 3 years (until 1986) to submit a substitute transportation improvement program, after which time the California Transportation Commission (CTC) was barred from approving any alternative transportation improvement program. Subsequent legislation, SB 296 (Lockyer, 1985), extended the alternative program submittal date to January 1, 1988.

The CTC was given authority regarding the content and approval of the local program alternative which, if

approved, was to be added to the State Transportation Improvement Program. Upon approval, the CTC was required to authorize the Department of Transportation to sell any excess properties (acquired for the original project) at the prevailing fair market price. The SB 1711 provisions also required that the surplus highway property sales were exempt from other provisions in state law which required the disposition of surplus property and houses for the purpose of affordable and lower income housing. The bill established an alternative program to provide corridor relocation assistance and replacement housing units for low and moderate income persons at an affordable cost. The use of State Highway Account funds, however, was prohibited for these housing provisions.

ANALYSIS:

Currently, the Route 238 bypass highway facility in the Hayward area remains unconstructed and funds for the project remain unspent. Local disputes and lawsuits over the routing and funding of the facility produced a stalemate that, among other things, resulted in the long-ago passing of the 1988 deadline for submitting an alternate improvement plan for approval.

This bill would delete the January 1, 1988 deadline for submitting a local alternative transportation improvement program revising plans for Route 238. Therefore, local transportation officials could submit an alternative plan to the CTC for approval at some future date.

COMMENTS:

1. Sponsors and proponents of the bill report that the local agencies, officials and groups involved in the long-running Route 238 dispute have reached a consensus on an alternative route. In November 2002, the City of Hayward amended its general plan to abandon the old hillside route for the Hayward 238 Bypass and include the agreed alternative to widen Mission Boulevard. Proponents state that the recent consensus has resulted in the dropping of pending lawsuits and appeals and will afford the transfer and reallocation of prior funding commitments for the project. For the new agreement to be realized, however, the 1988 statutory deadline for

submitting an alternative plan must be repealed.

2. Last year, related legislation (SB 1635, Figueroa) proposed a much more comprehensive overhaul of the Route 238 alternative plan provisions. SB 1635 would have authorized the submittal of a new plan, repealed provisions requiring the sale of the surplus highway property at fair market value, provided for the disposition of surplus housing units in the corridor as affordable housing, and expanded the use of excess property sales funds for an expanded range of transportation uses.

The prior legislation was approved by the Transportation Committee and the Senate but later was held in the Assembly Appropriations Committee after the committee analysis concluded that the bill would have resulted in a revenue loss of up to \$45 million to the State Highway Account if the surplus properties were sold at less than fair market value.

SB 1635 also included the provision repealing the 1988 deadline for an alternative plan. That provision is the only proposal in the current bill.

POSITIONS: (Communicated to the Committee before noon on Wednesday, March 26, 2003)

SUPPORT: City of Hayward
Alameda County Transportation Authority

OPPOSED: